

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

EMISSIVE ENERGY CORPORATION, :
Plaintiff, :
 :
v. : CA 03-528L
 :
ARMAMENT SYSTEMS AND :
PROCEDURES, INC. and :
COVE CUTLERY, LTD., :
Defendants. :

REPORT AND RECOMMENDATION

David L. Martin, United States Magistrate Judge

Before the court is Defendant Armament Systems and Procedures, Inc.'s Motion to Dismiss or Transfer ("Motion to Dismiss or Transfer" or the "Motion"). Therein, Defendant Armament Systems and Procedures, Inc. ("Defendant" or "Armament") argues that this matter presents issues which should have been asserted as counterclaims in a pending action brought by Armament in the Eastern District of Wisconsin (the "Wisconsin action"). Defendant requests, therefore, that the case be dismissed pursuant to Fed. R. Civ. P. 12(b)(3) and 13(a) due to improper venue or, alternatively, that it be transferred pursuant to 28 U.S.C. § 1404(a) to the Eastern District of Wisconsin. Plaintiff Emissive Energy Corporation ("Plaintiff" or "Emissive") has objected. For the reasons set forth in this report and recommendation, I recommend that the Motion to Dismiss or Transfer be denied.

Travel

A detailed review of the procedural histories of both the Wisconsin action and the present matter is necessary for the resolution of the Motion. Both parties are engaged in the business of manufacturing specialty flashlights, and each holds patents relating to features of those flashlights. On February

20, 2001, Armament filed the Wisconsin action, alleging that Emissive's INOVA flashlight infringed Armament's Patent Number 6,190,018 (the "'018 Patent"). See Docket in Armament Sys. and Procedures, Inc. v. Emissive Energy Corp., CA01-179-WCG (E.D. Wis.) ("Wisconsin Docket"), Document #1; Defendant Armament Systems and Procedures, Inc.'s Memorandum of Law in Support of Its Motion to Dismiss or Motion to Transfer ("Defendant's Mem."), Exhibit ("Ex.") 1 (Wisconsin Complaint) ¶¶ 7-8, 10-11. Armament claimed that the INOVA flashlight was being sold in direct competition with Armament's Sapphire flashlight, see Wisconsin Complaint ¶ 10, to which the '018 Patent applied,¹ see Defendant's Mem., Ex. 2 (Declaration of Kevin Parsons) ¶ 2. On March 9, 2001, Emissive filed an answer and counterclaim asserting that the '018 Patent was invalid. See Wisconsin Docket, Document #3; Defendant's Mem., Ex. 3 (Answer, Affirmative Defenses and Counterclaim) ¶¶ 15-18. Emissive then requested that the United States Patent and Trademark Office ("PTO") re-examine the '018 Patent. On May 31, 2001, in response to Emissive's motion, the Wisconsin action was stayed while the re-

¹ A January 23, 2003, declaration of the inventor of Patent Number 6,190,018 (the "'018 Patent") states that the '018 Patent also covers other flashlights produced by Armament Systems and Procedures, Inc. ("Armament" or "Defendant"), including Armament's Eclipse flashlight (which is a subject of the present action). See Defendant Armament Systems and Procedures, Inc.'s Memorandum of Law in Support of Its Motion to Dismiss or Motion to Transfer ("Defendant's Mem."), Exhibit ("Ex.") 2 (Declaration of Kevin Parsons) ¶ 2. In the Wisconsin action, however, Armament named only its Sapphire flashlight and the INOVA flashlight manufactured by Emissive Energy Corporation ("Emissive" or "Plaintiff") as subjects of that litigation. See id., Ex. 1 (Wisconsin Complaint). According to Emissive, Armament did not begin selling the Eclipse until 2003, see Memorandum of Law in Support of Plaintiff's Objection to Defendant's Motion to Dismiss or Transfer ("Plaintiff's Mem.") at 3, and Armament does not argue otherwise.

examination was pending.² See Wisconsin Docket, Document #8, Document #16.

On February 25, 2003, the PTO issued Emissive the patent which is the subject of the instant action, Patent Number 6,523,973 (the "'973 Patent"). See Memorandum of Law in Support of Plaintiff's Objection to Defendant's Motion to Dismiss or Transfer ("Plaintiff's Mem.") at 3. On November 21, 2003, Emissive filed this lawsuit in Rhode Island (the "Rhode Island action") alleging that Armament's new³ Eclipse flashlight infringed the '973 Patent, as well as another patent which covers design aspects of Emissive's flashlights, Patent Number Des. 425,226 (the "'226 Patent"). See Docket in Emissive Energy Corp. v. Armament Sys. & Procedures, Inc., CA 03-528L (D.R.I.) ("Rhode Island Docket"); Complaint in Emissive Energy Corp. v. Armament Sys. & Procedures, Inc., CA 03-528L (D.R.I.) ("Rhode Island Complaint") ¶¶ 15, 19, 25, 38. The '226 Patent was issued by the PTO on May 16, 2000. See id. ¶ 10. The Rhode Island Complaint does not name Armament's Sapphire flashlight as a subject of the litigation, but it does name Emissive's INOVA flashlight as the product to which the '226 and '973 Patents apply. See id. ¶¶ 8-11.

Meanwhile, on September 9, 2003, Armament's '018 Patent emerged from re-examination. See Plaintiff's Mem. at 2. Apparently, the lengthy period of re-examination had resulted from second and third requests for re-examination filed by

² After a telephone status conference held on March 3, 2003, the Wisconsin action was administratively closed. See Docket in Armament Sys. and Procedures, Inc. v. Emissive Energy Corp., CA01-179-WCG (E.D. Wis.) ("Wisconsin Docket"), Document #24. At that time, District Judge William C. Griesbach ordered that the stay would remain in effect until Armament notified the court that the re-examination process at the PTO was complete, at which point another status conference would be scheduled. See id.

³ See n.1.

Emissive on November 7, 2002, and March 24, 2003, respectively, as well as a request for re-examination filed by an unrelated entity not party to this litigation. See Defendant's Mem. at 2. Throughout the re-examination period, the Wisconsin action remained stayed. See Wisconsin Docket. Additionally, during the approximately two and one half months between the emergence of the '018 Patent and Emissive's filing of the Rhode Island action (and for about two months after the filing of the Rhode Island action), Armament did not notify the Wisconsin court of the patent's emergence, see n.2 supra, or file a motion to lift the stay in the Wisconsin action, see Wisconsin Docket.

On January 26, 2004, Armament filed the present Motion to Dismiss or Transfer. See Rhode Island Docket, Document #9. The very next day, it filed motions in the Wisconsin action to lift the stay and to amend/correct its complaint. See Wisconsin Docket, Document #27. Through the latter motion, Armament sought to add a request for a declaratory judgment concerning Emissive's '973 Patent. See Plaintiff's Mem. at 4.⁴ Both motions were subsequently granted. See Wisconsin Docket, Document #30, Document #33.

On March 3, 2004, following Armament's filing of its amended complaint, Emissive filed a Motion to Dismiss, Transfer, or Stay in the Wisconsin action ("Emissive's Motion to Dismiss"). See Wisconsin Docket, Document #35. Therein, Emissive sought dismissal of the amended complaint, transfer of Count II thereof (which seeks a declaration that Emissive's '973 Patent is invalid) to the District of Rhode Island, or a stay pending a decision in this court on the instant motion. See Memorandum of

⁴ Although the parties in their memoranda stated that Armament sought to add declaratory judgment counts as to both the '226 and '973 Patents, see Plaintiff's Mem. at 4; Reply Brief of Armament Systems and Procedures, Inc. ("Defendant's Reply") at 1, it was clarified at the March 19, 2004, hearing that Armament's amended complaint only included an additional count related to the '973 Patent.

Law in Support of Defendant Emissive Energy Corporation's Motion to Dismiss, Transfer or Stay at 1-2, 4, 11. On March 19, 2004, this court held a hearing on Armament's Motion to Dismiss or Transfer. See Rhode Island Docket, Document #17.

On June 22, 2004, District Judge William C. Griesbach of the Eastern District of Wisconsin issued a Decision and Order granting Emissive's Motion to Dismiss. See Docket in Armament Sys. & Procedures, Inc. v. IQ Hong Kong Ltd., CA 00-1257-WCG (E.D. Wis.),⁵ Document #104. Specifically, Judge Griesbach dismissed Count II of Armament's amended complaint after finding that the first-filed rule was inapplicable due to differences between the claims at issue in the two cases and concluding that Armament "will be able to raise the same issues in Rhode Island that i[t] has attempted to raise here in its amended complaint" Decision and Order of 6/22/04 at 2.

Discussion⁶

I. Transfer pursuant to 28 U.S.C. § 1404(a)

Armament argues that this court, pursuant to 28 U.S.C. § 1404(a), should transfer the Rhode Island action to the Eastern District of Wisconsin. See Defendant's Mem. at 6-7, 9-11. Armament claims that the first-filed rule operates to make jurisdiction proper in Wisconsin, since the Wisconsin action was filed before the Rhode Island action and the two actions involve the same parties, the same or similar flashlights, and the same patents. See Reply Brief of Armament Systems and Procedures, Inc. ("Defendant's Reply") at 1-3. Additionally, according to Armament, the factors pertinent to a § 1404(a) analysis weigh in

⁵ On April 7, 2004, the Wisconsin action was consolidated with another matter, CA 00-1257-WCG, and the latter case was designated as the lead one. See Docket in Armament Sys. & Procedures, Inc. v. IQ Hong Kong Ltd., CA 00-1257-WCG (E.D. Wis.), Document #94.

⁶ The court addresses Armament's claims in a different sequence than that in which they were presented.

favor of transfer. See Defendant's Mem. at 6-7, 9-11; Defendant's Reply at 3.

A. First-filed rule

The court finds Armament's argument as to the applicability of the first-filed rule drastically weakened, and this issue essentially moot, in light of Judge Griesbach's Decision and Order dismissing Count II of Armament's amended complaint from the Wisconsin action and the reasoning underlying that dismissal. "Where **identical actions** are proceeding concurrently in two federal courts ... the first filed action is generally preferred in a choice-of-venue decision." Coady v. Ashcraft & Gerel, 223 F.3d 1, 11 (1st Cir. 2000)(quoting Cianbro Corp. v. Curran-Lavoie, Inc., 814 F.2d 7, 11 (1st Cir. 1987))(bold added) (alteration in original); see also Victor Co. v. Ortho Organizers, Inc., 932 F.Supp. 261, 264 (D. Kan. 1996)("Defendant should not be allowed to manipulate the forum by commencing a separate action in California when the causes of action asserted involve **the same patent at issue in the present action** and can be resolved in the single suit before this court.")(bold added). "The [first-filed] rule rests on principles of comity and sound judicial administration. The concern manifestly is to avoid the waste of duplication, to avoid rulings which may trench upon the authority of sister courts, and to avoid piecemeal resolution of issues that call for a uniform result." Cadle Co. v. Whataburger of Alice, Inc., 174 F.3d 599, 603 (5th Cir. 1999)(citations and internal quotation marks omitted).

In granting Emissive's request to dismiss Count II, Judge Griesbach rejected Armament's argument that the first-filed rule favored retention of that count in the Wisconsin action:

[T]he cases cited by [Armament] discussing the first-filed rule are inapposite inasmuch as they relate to those situations where parties file mirror-image actions against each other. The [Wisconsin action] involves a

completely different patent, however, and thus the Rhode Island action cannot be said to "mirror" this case. It would be one thing if Emissive had filed a declaratory judgment action in Rhode Island seeking a declaration that [Armament's] patents (the subject of [the Wisconsin action]) were invalid. But here, Emissive has sued [Armament] for infringement of separate, newly issued patents. [Armament] argues that the "first litigant has the presumptive right to choose the forum," but this makes little sense when the new litigation relates to a patent that had not even been issued when [Armament] filed [the Wisconsin action] in early 2001. Under [Armament's] theory, the mere act of filing a lawsuit against a defendant would grant the plaintiff a monopoly on forum selection for all disputes to be litigated between those parties. This makes sense in some circumstances, for instance when the one party sues for infringement and the other sues for a declaration of non-infringement or invalidity. In that event, it would make little sense for two different courts to rule on the same issues—validity and infringement—because it would be wasteful and would create the possibility of conflicting rulings. But here, where the patents at issue are different, and where each party alleges that the other has infringed its own patents, judicial economy is not served by consolidation of the cases. The fact that the technology relates to similar products is not sufficient reason to deprive a patentee of its preferred forum. Emissive has alleged that [Armament] has infringed its '973 patent, and it should be allowed to conduct its case in the forum of its own selection.

Decision and Order of 6/22/04 at 1-2 (eighth alteration in original). This court agrees with Judge Griesbach's characterization of the two actions as involving different patents and different, though similar, products and his determination that in those circumstances the first-filed rule has no application. Although the Wisconsin action (absent the dismissed Count II) and Rhode Island action have "surface resemblance[,] the two courts [will be] addressing very different issues," TPM Holdings, Inc. v. Intra-Gold Indus., Inc., 91 F.3d 1, 4 (1st Cir. 1996), and, therefore, there is little risk of conflict posed by allowing both cases to proceed, see id.

Accordingly, Armament's request that this action be transferred to the Eastern District of Wisconsin based on the first-filed rule should be denied, and I so recommend.

B. Transfer based on standard § 1404(a) analysis

There remains the question of whether a transfer to the Eastern District of Wisconsin (presumably as a newly docketed case in that district) still is warranted under 28 U.S.C. § 1404(a) pursuant to more standard forum selection considerations. According to Armament, those considerations weigh in favor of transfer. See Defendant's Mem. at 9-11. The court does not agree.

Under § 1404(a), a district court may transfer any civil action to any other district where it may have been brought "[f]or the convenience of parties and witnesses, in the interest of justice." 28 U.S.C. § 1404(a). "[T]here is ordinarily a strong presumption in favor of the plaintiff's choice of forum, which may be overcome only when the private and public interest factors clearly point towards trial in the alternative forum." Piper Aircraft Co. v. Reyno, 454 U.S. 235, 255, 102 S.Ct. 252, 265-66, 70 L.Ed.2d 419 (1981); see also Gulf Oil Corp. v. Gilbert, 330 U.S. 501, 508, 67 S.Ct. 839, 843, 91 L.Ed. 1055 (1947)("[U]nless the balance is strongly in favor of the defendant, the plaintiff's choice of forum should rarely be disturbed."); Paradis v. Dooley, 774 F.Supp. 79, 82 (D.R.I. 1991)(quoting Piper Aircraft and Gulf Oil); Ryan, Klimek, Ryan P'ship v. Royal Ins. Co. of America, 695 F.Supp. 644, 647 (D.R.I. 1988)(quoting Piper Aircraft); Bertozzi v. King Louie Int'l, Inc., 420 F.Supp. 1166, 1173 (D.R.I. 1976)(quoting Gulf Oil). "Further, if the plaintiff is a resident of the district where the suit is brought, the plaintiff's choice of forum is given even greater deference." LaPlante v. American Honda Motor Co., C.A. No. 91-0015T, 1992 U.S. Dist. LEXIS 10180, at *4 (D.R.I. June 26, 1992).

In considering a request to transfer under § 1404(a), a court may consider whether certain public and private interest factors, if applicable, weigh in favor of or against the transfer. Those factors include:

- (1) ease of access to sources of proof;
- (2) availability of compulsory process to compel attendance of witnesses;
- (3) cost of attendance of willing witnesses;
- (4) ease of a view of premises, if necessary;
- (5) enforceability of the judgment, if obtained;
- (6) advantages and obstacles to a fair trial;
- (7) status of the court's trial calendar;
- (8) familiarity of forum with applicable state law.

Boothroyd Dewhurst, Inc. v. Bd. of Trs. of the Leland Stanford Junior Univ., C.A. No. 92-0075 P, 1993 U.S. Dist. LEXIS 20855, at *18-19 (D.R.I. July 8, 1993)(citing Gulf Oil); see also McGlynn v. Credit Store, Inc., 234 B.R. 576, 582 (D.R.I. 1999)(citing Gulf Oil); Paradis v. Dooley, 774 F.Supp. at 82 (quoting Piper). The burden is on the defendant to make the showing that the balance of these factors strongly favors transfer. See Bertozzi v. King Louie Int'l, Inc., 420 F.Supp. at 1173.

1. Plaintiff's Choice of Forum

As an initial matter, the court rejects Armament's characterization of itself as the "plaintiff" and the contention that *its* choice of forum, i.e., the Eastern District of Wisconsin, is entitled to deference. See Defendant's Mem. at 9. Presumably, Armament is referring to its party status in the Wisconsin action. However, in the instant case, Armament obviously is the defendant. Accordingly, it is Emissive's choice of forum, the District of Rhode Island, that is entitled to deference. See Piper Aircraft Co. v. Reyno, 454 U.S. at 255; 102 S.Ct. at 265-66. This is especially so because Emissive is headquartered in Rhode Island. See LaPlante v. American Honda Motor Co., 1992 U.S. Dist. LEXIS at *4; see also Rhode Island

Complaint ¶ 1.

2. Convenience of the Parties

In this regard, Armament notes it is a resident of the Eastern District of Wisconsin. See Defendant's Mem. at 9. It notes further that Emissive, in the Wisconsin action, did not dispute that it was subject to personal jurisdiction there and argues that "[t]his fact weighs strongly against venue in this Court and warrants a transfer of the Rhode Island case to the Eastern District of Wisconsin where jurisdiction is not a dispute." Id. Armament also claims, with an absence of specifics, that the majority of the documentary evidence in this matter will consist of Armament's business records which are voluminous and which are located in Wisconsin. See id. at 9-10.

Where each party and its business are located in a different state, the factor of convenience for the parties is not likely to be decisive. See Levinger v. Matthew Stuart & Co., 676 F.Supp. 437, 441 (D.R.I. 1988). This is because tearing either party away from its enterprises for a remote trial would cause that party inconvenience and expense. See id.; see also Paradis v. Dooley, 774 F.Supp. 79, 82 (D.R.I. 1991)(finding that each entity would be equally inconvenienced by having to travel to the other's district since each kept records and documents relating to litigation at its respective home office).

Consequently, the mere fact of Armament's residence in Wisconsin does not weigh heavily in favor of transfer there, since Emissive is headquartered in Rhode Island. Transfer pursuant to section 1404(a) requires more than a Defendant's concern about only its own interests. See Boothroyd Dewhurst, Inc. v. Bd. of Trs. of the Leland Stanford Junior Univ., C.A. No. 92-0075 P, 1993 U.S. Dist. LEXIS 20855, at *20 (D.R.I. July 8, 1993). From Emissive's perspective, it clearly would be more convenient for this action to proceed here, and Emissive's

convenience is a valid consideration. See Ryan, Klimek, Ryan P'ship v. Royal Ins. Co. of America, 695 F.Supp 644, 647 (D.R.I. 1988)("The great weight accorded a plaintiff's choice of his home forum stems in large part from the assumption that this choice is motivated merely by convenience.")(citing Piper Aircraft, 454 U.S. 235, 256, 102 S.Ct. 252, 266, 70 L.Ed.2d 419 (1981)); cf. Arrow Elecs., Inc. v. Ducommun Inc., 724 F.Supp. 264, 266 (S.D.N.Y. 1989)("If the foreign location of defendants were viewed as a critical factor in transfer decisions, plaintiff's forum choice would have little meaning.").

Accordingly, transfer based on the location of Armament is not warranted, as it would only shift the burdens of litigating in a remote forum from Armament to Emissive. See Zahn v. Yucaipa Capital Fund, 218 B.R. 656, 678 (D.R.I. 1998)("[T]ransfer is inappropriate if it merely shifts inconvenience from one party to the other. Section 1404(a) provides for transfer to a more convenient forum, not to a forum likely to prove equally convenient or inconvenient.")(citations and internal quotation marks omitted); Ballard Med. Prods. v. Concord Labs, Inc., 700 F.Supp. 796, 801 (D. Del. 1988)("If the transfer would merely switch the inconvenience from defendant to plaintiff, the transfer should not be allowed.").

Armament's claim that Emissive did not dispute personal jurisdiction in the Wisconsin action and, thus, venue is more appropriate there is unavailing. Although it seems to imply otherwise, Armament has not disputed that it is subject to personal jurisdiction in Rhode Island. Neither this motion nor any other filed by Armament raises a claim based on Federal Rule of Civil Procedure 12(b)(2).⁷ See Rhode Island Docket. Such a defense is considered waived if not raised in an initial

⁷ Federal Rule of Civil Procedure 12(b)(2) allows a party to raise in a motion the defense of "lack of jurisdiction over the person."

responsive pleading. See Vega-Encarnación v. Babilonia, 344 F.3d 37, 42 (1st Cir. 2003)(citing Fed. R. Civ. P. 12(h)(1)); Farm Credit Bank of Baltimore v. Ferrerra-Goitia, 316 F.3d 62, 68 (1st Cir. 2003)(same). Because both parties apparently are equally amenable to jurisdiction in either venue, the factor of personal jurisdiction does not weigh in favor of transfer.

Regarding Armament's claim that the presence of documentary evidence in Wisconsin warrants transfer,

[t]he location of records and documents is ... a factor that should be considered in determining the proper forum in a motion for transfer under § 1404(a).

But because usually many records, or copies thereof, are easily transported, their location is not entitled to great weight. This is particularly true with the development of photocopying.

Further, as with witnesses, general allegations that a transfer is needed because of the location of books and records are not enough. The moving papers must show the location, difficulty of transportation and importance of the books and records.

American Standard, Inc. v. Bendix Corp., 487 F.Supp. 254, 264 (W.D. Mo. 1980)(citations omitted). Moreover, transfer is not justified where documents are located in each possible forum and the transfer would merely shift the burden of shipping documents from one party to another. See Arrow Elecs., Inc. v. Ducommun Inc., 724 F.Supp. 264, 266 (S.D.N.Y. 1989).

In this patent dispute, both parties likely possess relevant documentary evidence. In requesting transfer, Armament makes only general allegations that the majority of the pertinent documents, i.e., Armament's business records, are located in Wisconsin, see Defendant's Mem. at 9-10, and that such evidence is "voluminous," id. at 10. It has not made a particular showing as to the actual number or relative importance of those documents or that they are "particularly bulky or difficult to transport,"

Citibank, N.A. v. Affinity Processing Corp., 248 F.Supp.2d 172, 177 (E.D.N.Y. 2003)(quoting Constitution Reinsurance Corp. v. Stonewall Ins. Co., 872 F.Supp. 1247, 1251 (S.D.N.Y. 1995)), nor has it submitted "proof that it is somehow a greater imposition for [Armament] to bring its evidence to [Rhode Island] than for [Emissive] to bring its evidence to [Wisconsin]," id. Consequently, the court concludes that the location of evidence factor does not weigh heavily in favor of transfer. In sum, Armament has not made a strong showing that the convenience of the parties would be well served by a transfer of this action to the Eastern District of Wisconsin.

3. Convenience of the Witnesses

Armament also argues that transfer is warranted because the majority of witnesses are located in Wisconsin and "[n]one of the witnesses to Emissive's case with the possible exception of Mr. Galli, the CEO of Emissive and inventor of Emissive's two patents, are located in Rhode Island." Defendant's Mem. at 9-10. It claims that the cost to bring its witnesses to Rhode Island for trial would be prohibitive, see id. at 10, and that Emissive's failure to contest personal jurisdiction in the Wisconsin action demonstrates that "the cost of producing witnesses and evidence in a trial in Wisconsin is obviously not a factor for Emissive," id. The court is not persuaded.

"The location of relevant witnesses and other evidence is a major factor to be considered in a transfer action. The convenience of both the party and non-party witnesses is probably the single-most important factor in the analysis of whether a transfer should be granted." United States Fid. & Guar. Co. v. Republic Drug Co., 800 F.Supp. 1076, 1080-81 (E.D.N.Y. 1992) (citation omitted). To show that the convenience of witnesses factor favors transfer, a defendant must submit "[a]ffidavits or declarations ... to identify key witnesses and a generalized

statement of their testimony." E. & J. Gallo Winery v. F. & P. S.p.A., 899 F.Supp. 465, 466 (E.D. Cal. 1994); see also Blinzler v. Marriott Int'l., Inc., 857 F.Supp. 1, 3 (D.R.I. 1994) ("When a party seeks the transfer on account of the convenience of witnesses under § 1404(a), he must clearly specify the key witnesses to be called and must make a general statement of what their testimony will cover.") (quoting Factors Etc., Inc. v. Pro Arts, Inc., 579 F.2d 215, 218 (2nd Cir. 1978)); United States Fid. and Guar. Co. v. Republic Drug Co., 800 F.Supp. at 1081 (requiring same). In the absence of such information, "[i]t is difficult to evaluate the role of these witnesses and realize the impact of a venue change on their function." E. & J. Gallo Winery, 899 F. Supp. at 467.

Again, Armament has argued in a largely conclusory fashion that the convenience of the witnesses factor warrants transfer. It has not submitted affidavits or declarations identifying particular key witnesses and the expected content of their testimony. In light of Armament's failure to provide specifics, the court is unable to make an informed assessment of the potential costs Armament faces to produce witnesses in Rhode Island. Further, Armament's assertion that only one witness will likely be required from Emissive but several from Armament, even if accepted as true, would not necessarily weigh heavily toward transfer. This is because, in assessing the import of the location of witnesses in the context of a motion to transfer, a court should not simply compare the numbers of witnesses residing in each district, but must also consider the content of their testimony. See American Standard, Inc. v. Bendix Corp., 487 F.Supp. 254, 263 (W.D. Mo. 1980) (quoting Wright, Miller & Cooper, Federal Practice & Procedure § 3851 (1976)). Depending on that content, "[o]ne key witness may outweigh a great number of less important witnesses." Id.

Regarding Armament's assertion that Emissive's failure to contest personal jurisdiction in the Wisconsin action somehow shows that Emissive is unconcerned with the costs of litigating in a remote forum, the court is not convinced this is so. It seems at least equally likely that Emissive simply acknowledged that it had the requisite contacts with Wisconsin to support jurisdiction there. See Wisconsin Complaint ¶ 8 (alleging that Emissive "is making, importing, using, selling, and/or offering to sell" its INOVA flashlight in the Eastern District of Wisconsin); Defendant's Mem., Ex. 3 (Answer, Affirmative Defenses and Counterclaim in Wisconsin action) ¶ 8 (admitting those allegations). In sum, Armament has not demonstrated that the convenience of the witnesses factor strongly favors transfer.

4. Interests of Justice

Armament claims that if this action remains in Rhode Island, it "will be forced to try the same case twice," Defendant's Mem. at 11, resulting in "massive waste of judicial resourc[e]s, and excessive costs for the parties ... uncertainty of outcome and the possibility of inconsistent verdicts," id. However, as already explained in part I.A. of this Report and Recommendation, see Discussion supra at 6-7, the Wisconsin and Rhode Island actions are not identical and in fact involve different patents and products. Thus, Armament's concerns regarding duplication and waste are not well founded.

As to other public interest factors, this court's calendar is current and there exists a significant local interest in allowing a company headquartered in Rhode Island to seek recourse for alleged infringement of its patents in a Rhode Island court. Armament does not argue that there are obstacles to it receiving a fair trial here, and the court is not aware of any. The Rhode Island and Wisconsin courts' relative familiarity with the applicable law is not an issue, as this is a patent case that

involves federal rather than state law. See Victor Co. v. Ortho Organizers, Inc., 932 F.Supp. 261, 264 (D. Kan. 1996)(finding transfer unwarranted in patent infringement case since "the bulk of the issues are governed by federal law"). In sum, the interests of justice do not weigh heavily in favor of transfer.

5. Summary

Under § 1404(a), Armament has failed to make a strong showing that the convenience of the parties, the convenience of the witnesses, or the interests of justice warrant transfer of this matter to the Eastern District of Wisconsin. "[T]his court recognizes a presumption in favor of the plaintiff's choice of its home forum," Microfibres, Inc. v. McDevitt-Askew, 20 F.Supp.2d 316, 323 (D.R.I. 1998), and Armament has not met the burden necessary to rebut it. Accordingly, I recommend that, to the extent it seeks transfer, the Motion to Dismiss or Transfer be denied.

II. Compulsory Counterclaims

Armament argues alternatively that the claims brought by Emissive in Rhode Island, which concern Emissive's '226 and '973 Patents, are properly viewed as compulsory counterclaims to Armament's claims concerning its '018 Patent and, therefore, should have been raised in the Wisconsin action. See Defendant's Mem. at 4-6, 8-9. Thus, according to Armament, Emissive's claims are now barred and should be dismissed. See id. at 8. The court does not agree.

Federal Rule of Civil Procedure 13 governs compulsory counterclaims and provides in part that "[a] pleading shall state as a counterclaim any claim which at the time of serving the pleading the pleader has against any opposing party, if it arises out of the transaction or occurrence that is the subject matter of the opposing party's claim" Fed. R. Civ. P. 13(a). A compulsory counterclaim which a party fails to assert is

thereafter barred from being raised by that party in a subsequent action. See Puerto Rico Mar. Shipping Auth. v. Fed. Mar. Comm'n, 75 F.3d 63, 67 (1st Cir. 1996); Carteret Sav. & Loan Ass'n v. Jackson, 812 F.2d 36, 38-39 (1st Cir. 1987).

Rule 13(a) recognizes that when disputed issues arise from the same operative facts, fairness as well as efficiency require that the issues be raised for resolution in the same action. Professor Wright identifies four tests, any one of which can render a counterclaim compulsory: (1) whether the legal and factual issues raised by the claim and counterclaim are largely the same; (2) whether, absent the compulsory counterclaim rule, *res judicata* would bar a subsequent suit on the counterclaim; (3) whether substantially the same evidence supports or refutes both the claim and counterclaim; or (4) whether there is a logical relation between the claim and counterclaim.

Vivid Techs., Inc. v. American Sci. & Eng'g, Inc., 200 F.3d 795, 801 (Fed. Cir. 1999)(citation omitted)(citing 6 Charles Alan Wright, Arthur R. Miller & Mary Kay Kane, Federal Practice and Procedure § 1410, at 52-58 (2d ed. 1990)); see also Iglesias v. Mut. Life Ins. Co. of New York, 156 F.3d 237, 241 (1st Cir. 1998); McCaffrey v. Rex Motor Transp., Inc., 672 F.2d 246, 248 (1st Cir. 1982)(same). The fourth test, the "so-called 'logical relationship' test_{1,1}, enjoys 'by far the widest acceptance among the courts.'" McCaffrey v. Rex Motor Transp., Inc., 672 F.2d at 248 (citation and internal quotation marks omitted).

Regarding Emissive's design patent, Armament argues that "Emissive had the opportunity to raise the '226 patent as a counterclaim in its answer [in the Wisconsin action] filed on March 8, 2001," Defendant's Mem. at 8, and it failed to do so "although clearly the identical issues were underlying Emissive's answer, affirmative defenses and the counterclaim," *id.* More specifically, Armament claims that Emissive's INOVA flashlight is "[i]nherent," *id.*, in Emissive's affirmative defense and counterclaims (i.e., invalidity of Armament's '018 Patent, unfair

competition, and deceptive business practices), and, since Emissive's '226 Patent is applicable to the INOVA flashlight, the instant claim alleging that Armament's Eclipse flashlight infringes the '226 Patent should have been raised as a compulsory counterclaim in the Wisconsin action, see id.

Putting aside the strained nature of the connection which Armament attempts to draw between the '226 Patent and the claims involved in the Wisconsin action, this argument falters due to matters of timing. Although Emissive's '226 Patent was in existence at the time it answered the Wisconsin complaint, the Armament product which Emissive now claims infringes that patent, the Eclipse, was not. The Wisconsin action concerned Armament's Sapphire flashlight; the Eclipse flashlight was not marketed until 2003. See Travel supra at 2 n.1. As the wording of the rule indicates, "[a] compulsory counterclaim under Rule 13(a) is one that ... exists at the time of the pleading" Shamblin v. City of Colchester, 793 F.Supp. 831, 833 (C.D. Ill. 1992). Conversely, where a claim raised in a second action is based on facts which arose *subsequent* to the initiation of a prior action, that claim is not properly characterized as a compulsory counterclaim in the first action. See Computer Assocs. Int'l, Inc. v. Altai, Inc., 893 F.2d 26, 29 (2nd Cir. 1990)(holding claims of tortious interference, business disparagement, libel, and slander raised in later action were not compulsory counterclaims in earlier action where claims were based on defendant's conduct following initiation of earlier action).⁸

⁸ The Court of Appeals for the First Circuit also has found not compulsory counterclaims which involved a completely different time period than the claims in the main action, even though the counterclaims involved similar subject matter and apparently had accrued at the time of pleading. See McCaffrey v. Rex Motor Transp., Inc., 672 F.2d 246, 249 (1st Cir. 1982)(holding employer's claims for restitution of alleged overpayments to pension fund from 1958-71 not compulsory counterclaims in fund's action for employer's underpayments during 1971-77 because contributions at issue "were made during

Rather, potential counterclaims based on later arisen facts are more properly classified as permissive. See Fed. R. Civ. P. 13(e) ("A claim which either matured or was acquired by the pleader after serving a pleading may, with the permission of the court, be presented as a counterclaim by supplemental pleading.")

Armament's claim that Emissive's allegation regarding infringement of its '973 Patent also was a compulsory counterclaim in the Wisconsin action clearly suffers from the same temporal infirmity, as the '973 Patent was not issued until 2003. Nevertheless, Armament argues that the infringement claim "is also properly a counterclaim in the Wisconsin litigation, yet Emissive filed a new suit in Rhode Island." Defendant's Mem. at 8. According to Armament, because it filed a motion (subsequent to Emissive's filing of the present action) to amend its Wisconsin Complaint to assert invalidity of Emissive's '973 Patent, "[i]t is now incumbent upon Emissive to file a counterclaim in the Wisconsin litigation asserting any infringement action against [Armament]," id. at 9. Armament does not provide more specific argument as to why it considers Emissive's claim that its '973 Patent has been infringed a compulsory counterclaim. Rather, it characterizes Emissive's bringing that claim in a new, Rhode Island action as harassment, forum shopping, and lacking in good faith. See id. at 8-9. The court disagrees.

Another court's reasoning in a matter with strong factual and procedural similarities to the instant one counsels that Armament's arguments should be rejected. In McNeil Machinery & Engineering Co. v. National Rubber Machinery Co., 222 F.Supp. 85 (N.D. Ohio 1963), McNeil Machinery & Engineering Company ("McNeil") filed an action on March 21, 1963, alleging that

different time periods and under different contracts.").

National Rubber Machinery Company ("National") infringed two of McNeil's patents, see id. On April 22, 1963, National brought a separate action in the same court alleging that McNeil infringed two of National's patents which, like McNeil's patents, related to tire manufacturing equipment. See id. at 86. Two days later, on April 24, 1963, McNeil moved to amend its complaint in the action it had brought, seeking to add a claim for a declaratory judgment that National's two patents were invalid. See id. National thereafter moved to strike McNeil's newly added claim from the first action, see id., and McNeil moved to dismiss the case brought by National, contending that it should have been raised as a compulsory counterclaim in the action brought by McNeil, see id.

The court granted National's motion to strike McNeil's newly added claim and rejected McNeil's assertion that National's claims regarding National's own patents were compulsory counterclaims in the case brought by McNeil concerning McNeil's patents. In rejecting the notion that the parties' respective claims arose from the same transaction or occurrence, the court found that "[a]llthough the patents involved in these two actions relate to the same general subject of invention, there is nothing to indicate that the alleged infringements by each of the parties of the patents owned by the other are interrelated." McNeil Mach. & Eng'g Co. v. Nat'l Rubber Mach. Co., 222 F.Supp. 85, 86 (N.D. Ohio 1963). In rejecting McNeil's argument that National's claims properly were compulsory counterclaims in McNeil's action, the court found the chronology of the two actions relevant. See id. It noted that McNeil's action, as originally brought, did not raise claims relating to National's patents and that such claims were only later sought to be added by amendment after National filed its own lawsuit. See id. at 87. In the court's opinion, however, the filing of National's action "deprived

McNeil of the right to amend its complaint to include and restate matters already in the lawsuit filed by National." Id.

The same dynamic is present here. The Wisconsin action as originally filed concerned only Armament's '018 Patent. Armament did not move to reopen that action and amend its complaint to add a claim regarding the invalidity of Emissive's '973 Patent until after Emissive alleged infringement of that patent in a new action. Once Emissive filed its action, Armament was deprived of its right to amend the Wisconsin complaint to claim invalidity of the '973 Patent and to thereafter argue that Emissive's claim was a compulsory counterclaim. Judge Griesbach effectively recognized as much when he dismissed the newly added Count II from the Wisconsin action based on its lack of relation to the original complaint. If any party is litigating in bad faith or engaging in forum shopping, it is Armament and not Emissive.

Regarding Armament's arguments as to both the '228 and '973 Patents, the court's research finds support for the general proposition that in cases concerning invalidity and/or infringement of patents, although the same parties and products may be involved, counterclaims relating to different patents than those implicated in the main claims typically are not compulsory. For example, in Magnesystems, Inc. v. Nikken, Inc., 933 F.Supp. 944, 952-53 (C.D. Cal. 1996), the court denied the defendants' request to amend its answer to add two counterclaims alleging that the plaintiff had infringed two of the defendants' patents. The main action had alleged only that the defendants infringed a patent of the plaintiff's, id. at 946, and the court noted that "[a]dding the counterclaims concerning Defendants' ... Patents would inject a completely new case," id. at 952, into the original matter. According to the court, the defendants' proposed claims "[c]learly ... are permissive counterclaims," id., and denial of the request to add them to the matter did not

prejudice the defendants since they could "simply bring their new infringement allegations against Plaintiff in a separate action," id. at 953.⁹

Similarly, in Measurements Corp. v. Ferris Instrument Corp., 159 F.2d 590 (3rd Cir. 1947), the Court of Appeals for the Third Circuit held that a counterclaim was not compulsory where it concerned a different patent than that at issue in the main action, although both patents related to signal generators, see id. at 594; cf. Akzona Inc. v. E.I. du Pont de Nemours & Co., 662 F.Supp. 603, 617-18 (D. Del. 1987) (holding counterclaim for infringement of patents and money damages compulsory in declaratory judgment action asserting invalidity and noninfringement of *same* patents involved in counterclaim).

In sum, Emissive's claims in the present action are not compulsory counterclaims in the Wisconsin action because they did not exist when Emissive filed its answer in the Wisconsin action on March 8, 2001. Armament was not marketing the allegedly infringing Eclipse flashlight at that time, and Emissive's '973 Patent was yet to be issued. Furthermore, Armament's belated (and ultimately unsuccessful) attempt to assert in Wisconsin a claim alleging invalidity of the '973 Patent did not render Emissive's earlier filed claim of infringement of that patent a compulsory counterclaim. Finally, although the same parties and similar products are involved in both the Wisconsin and Rhode Island actions, the patents involved differ such that the claims surrounding them raise different legal and factual issues, require different evidence, and are not logically related. Accordingly, I recommend that Armament's motion to dismiss Emissive's claims as barred because they are compulsory

⁹ This court recognizes that Magnesystems, Inc. v. Nikken, Inc., 933 F.Supp. 944 (C.D. Cal. 1996), involved a different procedural context, i.e., on remand after appeal, and thus is distinguishable to some degree. Nevertheless, the court still considers the holding instructive and applicable to the present case.

counterclaims to the Wisconsin action be denied.

III. Dismissal pursuant to Fed. R. Civ. P. 12(b)(3)

Although Armament in its Motion to Dismiss or Transfer cites Federal Rule of Civil Procedure 12(b)(3) as another basis for dismissal of this action, see Motion to Dismiss or Transfer at 1, it fails to include any argument in its memoranda regarding the applicability of that rule to the facts at hand. Accordingly, the court considers this claim to be abandoned. See Dressler v. Cmty. Serv. Communications, Inc., 275 F.Supp.2d 17, 25-26 (D. Me. 2003)(holding plaintiff waived claims where he failed to argue issue necessary to establish them); Butcher Co. v. Bouthot, 124 F.Supp.2d 750, 762 (D. Me. 2001)(finding claims abandoned where plaintiff entirely failed to respond to defendant's argument that no supporting evidence had been presented); Rhode Island Affiliate, ACLU, Inc. v. Rhode Island Lottery Comm'n, 553 F.Supp. 752, 755 n.1 (D.R.I. 1982)(assuming abandoned allegation raised in complaint but not briefed in pre-trial or post-trial briefs).

Conclusion

Armament's Motion to Dismiss or Transfer should be denied because the first-filed rule is inapplicable under the circumstances, because Armament has not made the required showing under 28 U.S.C. § 1404(a) that transfer is warranted, and because Emissive's claims here are not properly characterized as compulsory counterclaims in the Wisconsin action, and I so recommend. Any objections to this Report and Recommendation must be specific and must be filed with the Clerk of Court within ten (10) days of its receipt. See Fed. R. Civ. P. 72(b); D.R.I. Local R. 32. Failure to file specific objections in a timely manner constitutes waiver of the right to review by the district court and of the right to appeal the district court's decision. See United States v. Valencia-Copete, 792 F.2d 4, 6 (1st Cir.

1986); Park Motor Mart, Inc. v. Ford Motor Co., 616 F.2d 603, 605
(1st Cir. 1980).

David L. Martin
United States Magistrate Judge
August 2, 2004